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Of Engineers®**
Nashville District
P.O. Box 1070
Nashville, TN 37202-1070

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Gene Pawlik, 202-761-7690

Eugene.A.Pawlik@usace.army.mil

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President's Fiscal Year 2006 U.S. Army Corps of Engineers' Civil Works budget released

Washington (February 7, 2005) - The Fiscal Year 2006 (FY06) budget transmitted to Congress today includes \$4.513 billion in new federal funding for the Civil Works program of the U.S. Army Corps of Engineers.

Mr. John Paul Woodley, Jr., Principal Deputy Assistant Secretary of the Army (Civil Works), said, "The Army Civil Works budget for FY 2006 provides funding for the U.S. Army Corps of Engineers to continue to contribute to the nation's economic and environmental well being.

"The budget funds the planning, design and construction of projects that will provide a high return on investment in the Corps' primary mission areas of commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration."

The Army Civil Works program contributes to the development and restoration of the Nation's water and related resources; operation and maintenance of existing federally-owned water resources projects; protection of the Nation's waters and wetlands; and restoration of sites contaminated as a result of the Nation's early atomic weapons development program.

The new federal funding in the Civil Works budget consists of \$3.436 billion from the general fund, \$674 million from the Harbor Maintenance Trust Fund, \$184 million from the Inland Waterways Trust Fund, \$37 million from Special Recreation Use Fees, \$1 million from Disposal Facilities User Fees; and, \$181 million from the direct funding of hydropower operation and maintenance costs by three federal power marketing administrations.

The new federal funding will be distributed as follows among the appropriation accounts:

- \$1.979 billion for Operation and Maintenance
- \$1.637 billion for Construction
- \$270 million for Flood Control, Mississippi River and Tributaries
- \$162 million for General Expenses
- \$160 million for the Regulatory Program

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- \$140 million for the Formerly Utilized Sites Remedial Action Program
- \$95 million for General Investigations
- \$70 million for Flood Control and Coastal Emergencies

Other sources of funding are estimated at \$524 million, which includes \$61 million from the Coastal Wetlands Restoration Trust Fund and \$18 million in Permanent Appropriations. It also includes \$445 million from non-federal interests in Rivers and Harbors Contributed Funds.

Woodley added, "The Army Civil Works program has made progress on the President's Management Agenda, and we are confident that our work on the President's initiatives will yield greater program efficiency and effectiveness in the years to come."

The FY 2006 budget is very much a performance-based budget. As an example, the budget uses seven objective, performance-based guidelines to allocate funds among construction projects, to achieve greater value to the Nation from the Civil Works construction program. In recent years, many more construction projects have been authorized, initiated, and continued than can be constructed efficiently. This has led to the postponement of benefits from the most worthy projects, which has significantly reduced overall program performance.

To remedy this situation, the budget provides a high level of construction funding for 61 projects that offer the highest returns, and substantial funding for 44 other high-return projects. The budget includes a \$200 million increase over the 2005 budget request to accelerate progress on high return projects, and proposes that the added funding be available only if the enacted legislation is substantially consistent with the seven performance budgeting guidelines. The budget also proposes that ongoing work on lower priority projects be considered for deferral, setting aside \$88 million to cover the associated costs.

The highest-return construction projects include fourteen dam safety, seepage, and static instability correction projects. The highest-return construction projects also include the nine projects considered to be national priorities: the New York and New Jersey Harbor deepening project (\$101 million); the Oakland Harbor deepening project (\$48 million); construction of the Olmsted Locks and Dam, IL & KY (\$90 million); projects to restore the Florida Everglades (\$137 million) and the side channels of the Upper Mississippi River system (\$34 million); projects to provide flood damage reduction to two urban areas, namely, the Sims Bayou, Houston, TX, project (\$18 million) and the West Bank and Vicinity, New Orleans, LA, project (\$28 million); and projects to meet environmental requirements in the Columbia River Basin (\$102 million) and the Missouri River basin (\$83 million).

The budget provides funding to continue other projects with high returns as measured by the remaining benefits of the project, relative to the remaining costs, or, for aquatic ecosystem

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restoration projects, the extent to which the project cost-effectively addresses a significant regional or national ecological problem. The budget enables the continuation of important major rehabilitation projects and the renourishment of beaches to repair damages caused by the operation and maintenance of Federal navigation projects.

As a further example of performance-based budgeting, the budget provides substantial funding to meet performance targets in the Regulatory Program (\$160 million), Emergency Management Program (\$70 million for Flood Control and Coastal Emergencies), and Recreation Program (\$268 million), which have been rated "Moderately Effective" using the Program Assessment Rating Tool (PART).

The budget for operation and maintenance emphasizes essential maintenance and security activities at key Corps facilities. It provides \$72 million for key facility protection, and a much-needed \$20 million reserve fund to perform unexpected, urgent maintenance and repairs at key facilities.

Among navigation projects, the budget emphasizes harbors and waterway segments with high volumes of commercial traffic, and lower-use harbors that support significant commercial or subsistence fishing or provide public transportation benefits. The budget proposes recreation modernization using the additional revenues from expanded user fees and innovative partnerships with non-federal interests.

The mission of the United States Army Corps of Engineers, the world's preeminent public engineering agency, is to provide quality, responsive engineering services to the Nation and its armed forces. The Corps plans, designs, builds and operates water resources projects; designs and manages military facilities construction for the Army and Air Force at home and abroad; provides design and construction management support for other Defense and federal agencies; cleans hazardous areas across the Nation through the Formerly Used Defense Sites program and the Formerly Utilized Sites Remedial Action Program; and conducts state of the art engineering research and design at its Engineer Research and Development Center.

The FY 2006 Army Civil Works budget information, including a state-by-state breakdown, is available on the Corps' World Wide Web site at www.usace.army.mil/civilworks/cecwb/budget/budget.pdf.